

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION NO. W-4022  
February 5, 1997

**R E S O L U T I O N**

(RES. W-4022), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM), VILLAGE DISTRICT. ORDER AUTHORIZING A RATE BASE OFFSET RATE INCREASE PRODUCING \$20,042 OR 0.13%.

BY ADVICE LETTER NO. 502, FILED DECEMBER 9, 1996.

SUMMARY

This Resolution authorizes Cal-Am to increase rates by \$20,042 or 0.13% to offset a rate base plant addition for its Village District in 1996. The increase will not result in a rate of return greater than last authorized for Cal-Am.

BACKGROUND

Cal-Am requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code for a rate base plant addition and corresponding rate adjustment for the Rancho Conejo Intertie Project. This project was authorized by Ordering Paragraph 5 of Decision (D.) 95-12-041. Cal-Am serves approximately 17,300 customers in portions of Thousand Oaks, Newbury Park, and areas adjacent to Camarillo, and vicinity, Ventura County.

The present rates became effective on January 17, 1997, pursuant to Resolution W-4019, which authorized a purchased water offset rate increase of \$189,314 or 1.22% in additional revenues.

DISCUSSION

The rate base offset increase requested herein is for the purpose of recovering in rates on a dollar-for-dollar basis, the cost of construction of the Rancho Conejo Intertie Project which consisted of the installation of approximately 11,200 feet of 16-inch pipeline.

D.95-12-041 authorized Cal-Am to file a rate adjustment upon the completion of the Rancho Conejo Intertie Project. Cal-Am completed the project in November 1996. The total cost of the project was \$595,413, which was approximately 75%, or \$443,990, developer funded. This makes Cal-Am's contribution \$151,423. The Small Water Branch (Branch) reviewed Cal-Am's calculations and concurs with its proposed rates.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

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The requested increase of \$0.0033 per Ccf (one Ccf is equal to one hundred cubic feet), being very small, is applied to the quantity rates only. The rates for all quantities of water delivered would be increased by \$0.0033 per Ccf.

NOTICE AND PROTESTS

Cal-Am has given public notice of the request for increase by publishing in the local newspaper on December 14, 1996. No protests or correspondence have been received.

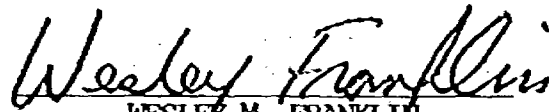
FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedules V-1, General Metered Service, and V-9MC, Metered Construction Service, attached to Advice Letter 502 and to cancel the corresponding, presently effective rate schedules for water service.
2. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 5, 1997. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners